

San Francisco Regional Office

GA/ECMC Hearings Branch

Core Business Functions:

Conduct written and in person hearings (for ECMC) and appeals (for GA), ensuring rights of due process afforded to borrower.

<p>Primary SFA Work Activities</p> <ul style="list-style-type: none">• Make a determination on all written hearings (Conduct hearings forwarded by ECMC and conduct appeals forwarded by GA)<ul style="list-style-type: none">- 60 % of time- 25 reviews per month• Conduct in person hearings, and make determination.<ul style="list-style-type: none">- 1% of time- 3-5 year• Conduct oral hearings and make determination<ul style="list-style-type: none">- 7 % of time- 2 oral hearings p/month <p>* In each type of hearing above, the LA collects and reviews the information, does research and communicates w/ECMC or GA if necessary, analyzes, makes the determination, and conveys it to the borrower in writing (sometimes also by phone.) In addition, HRG staff are the point of contact for GA's, process GA adjustments. Also, they assist w/overflow work from other Branches.</p> <p>Also—the above omits school-related appeals data which in earlier charts, we included—est. 1000 cases/yr; 1-2 FTE responsible. However, CSB staff handle most of those.</p>	<p>Primary Contractor Activities</p> <p>ECMC forwards hearing requests to Regional Office</p> <p>First round of hearings are held by GA. SFA conducts appeals. [I'm not sure this is really the "second round"—the GA's are required to offer and conduct the hearings, and to inform borrowers of their right to appeal the decisions to ED—a small number of borrowers do appeal to us.]</p>
<p>'02 Change Opportunities</p> <p>Reduce turnaround to 30(GA)/45(ECMC) days</p> <p>Short term benefits: provides more prompt resolution, acct. adjustment or return to collectible status. Better track open cases, identify reasons for delays, and improve HRG processes.</p>	<p>Long Term Change Opportunities (03 and beyond)</p> <p>Long term: More efficient process should free staff time for other work.</p>

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Contract Services (Loan Discharge) Branch

Core Business Function:

Determine eligibility for loan discharge related to closed school, ATB and unpaid tuition refund.

<p>Primary SFA Work Activities</p> <p>Closed School:</p> <ul style="list-style-type: none">- 3 FTEs- 300 reviews per month <ul style="list-style-type: none">• Receive applications and forward to Raytheon• Approve or disapprove Raytheon's preliminary decision• Conduct additional research to verify closed school circumstances/borrower options. <p>ATB (Ability to Benefit)</p> <ul style="list-style-type: none">• Log ATB applications• Conduct research to determine eligibility for discharge (school violations)• Adjust account if necessary <p>Unpaid Tuition Refunds</p> <ul style="list-style-type: none">• Log ATB applications• Conduct research ...• If eligible, determine unpaid refund credit amount; adjust account.<ul style="list-style-type: none">- 7-9 FTEs for ATB and UNP- Combined, ATB, UNP&,other applications = 600/mo.- 40-60 minutes per application <ul style="list-style-type: none">• Somewhat higher application volumes Jan-Aug.	<p>Primary Contractor Activities</p> <ul style="list-style-type: none">• Raytheon develops initial decision on closed school discharge applications• PIC & PCA's identify/counsel students who request applications for all types of discharges or may be eligible and send applications to them.
<p>'02 Change Opportunities</p> <p><i>For Closed School:</i></p> <ol style="list-style-type: none">1. Rework process so applications go directly to contractor to be opened, processed, and noted in collections system <i>Rationale:</i> this is practically a clerical function requiring no special knowledge.2. Consider moving the function from Raytheon—which performs no similar student-contact or loan-servicing functions—to ECMC or PIC, where many other student-contact and loan servicing functions take place and presumably the staff is more familiar w/loan program features and options. Our original	<p>Long Term Change Opportunities (03 and beyond)</p> <p><i>Expectation:</i> After 04, fewer applications should be filed w/ED in the future, once we complete portfolio clean-up of problem school borrowers and assure proactive GA action.</p>

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<p>thought was to do this when the Raytheon contract ended—possibly it could be done earlier by a contract modification. On the other hand, the Raytheon staff involved are basically one woman (who does a good job) and her supervisor, so possibly savings would be small, or outweighed by the trouble involved in moving the function.</p> <p>3. Spot check sample of Raytheon decisions rather than 100% review. <i>Benefits:</i> Saves 5 hrs/week once fully implemented. Requires internal change in procedures—staff training, determination of sampling plans.</p> <p><i>For all types:</i></p> <p>1. Increase partnerships with Guarantee Agencies to increase consistency, reduce appeals, and assure all possible cases are discharged by GA rather than assigned to ED as defaults. <i>Approx savings:</i> depends on the types of school issues in a GA's program, as well as the GA's policies. <i>Benefits:</i> Benefit is that the borrowers' school issues are dealt with earlier in the process and resolved before they default or are assigned to ED.</p> <p>2. Increase coordination w/Accreditation & St. Licensing agencies for better data on school violations. <i>Benefits:</i> We are working on this now,--OPE is soliciting the assistance of these agencies-- in response to a class action lawsuit requiring us to use more of these agencies' records. Having the data will make our process more efficient, but cost savings will be minimal. When could this be done? This year.</p> <p>3. Improve research database of school records and previous application decisions to speed up determinations <i>Benefits:</i> Less research time.</p> <p>4. Improve guidance to PIC and PCA's so fewer ineligible students apply and multiple applications are reduced. <i>Benefits:</i> Less applications to review. <i>When could this be done?</i> This year—working w/Chicago and Atlanta SC's to incorporate into training they provide the contractors.</p>	
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Loan Servicing Division

Core Business Functions:

- Respond to a variety of customer concerns via telephone and correspondence
- Unauthorized Signature Loan Discharges
- Disability Discharges
- Portfolio Management Analysis
- Resolve Balance Disputes
- Adjust Loan Balances
- Refunds
- Credit Reporting

Primary SFA Work Activities <ul style="list-style-type: none">• Respond to customers<ul style="list-style-type: none">- 30% of time- 30 calls per week- 10 pieces of correspondence a week• Unauthorized signature & disability Discharges<ul style="list-style-type: none">- 30% of time- 15 discharges per week• Portfolio management<ul style="list-style-type: none">- 20% of time• Balance disputes and loan adjustments<ul style="list-style-type: none">- 20% of time	Primary Contractor Activities <ul style="list-style-type: none">• None
'02 Change Opportunities	Long Term Change Opportunities ('03 and beyond) <p>1. Once existing “problem school” portfolios are analyzed and resolved, after 04, time spent on school-related issues should decrease for SFSC, PIC and PCA’s.</p> <p>(Approx what percentage will they decrease? It depends on what resolutions are adopted—a very rough estimate would be 2% - 5%.</p>

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Litigation Services Branch

Core Business Functions:

Work with OGC and DOJ to collect debts through litigation.

<p>Primary SFA Work Activities</p> <ul style="list-style-type: none">• Support litigation referrals at DOJ (research)<ul style="list-style-type: none">- 65 % of time• Coordinate litigation program with DOJ<ul style="list-style-type: none">- 15 % of time• Review PCA package and sign off prior to sending it to DOJ<ul style="list-style-type: none">- 5% of time- 340packages per month• Serve as expert witness<ul style="list-style-type: none">- 5 % of time• Oversee ECMC's handling of hardship petitions and bankruptcy challenges<ul style="list-style-type: none">- 10 % of time	<p>Primary Contractor Activities</p> <ul style="list-style-type: none">• PCAs identify cases meeting referral criteria and prepare data to be sent to SFA and then DOJ• ECMC processes routine bankruptcy cases
<p>'02 Change Opportunities</p> <p>1. Establish system to routinely exchange debt status data electronically (underway) <i>Benefits:</i> Reduces staff time updating system manually; provides updates more timely, reduces errors.</p> <p>2. Reduce # of paper documents required by private counsel districts (underway) <i>Benefits:</i> Reduces time spent printing/preparing unnecessary paper documents at PCA's and ED. Minor decrease in time, more of an impact for PCAs.</p> <p>Question: Can anything be done to increase the support of litigation referrals from DOJ? Could DOJ do more of this? Or PCAs or Raytheon?</p> <p>The referrals of cases are from us to DOJ. The requests for assistance then come from DOJ to us. Primarily, the requests are for explanations of the documents, screen prints, and program terms related to the cases we've sent DOJ—or to assertions made by the borrowers when DOJ contacts them. Other requests are</p>	<p>Long Term Change Opportunities (03 and beyond)</p> <p>1. Obtain DOJ participation in electronic transfer of all borrower data between SFA and DOJ, eliminating need for paper referral files.—must meet tight DOJ security and computer controls. <i>What would it take to implement this?</i> DOJ receives some payment from us, which might cover their costs. The main problems are getting this prioritized to be done in DOJ's IT plans and, primarily, getting DOJ to work through it's organization to agree on what transfer procedures meet their security demands.</p>

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<p>for declarations, affidavits, etc. from us supporting the debt, or as a result of negotiations. Neither Raytheon nor the PCA's could respond to the majority.</p> <p><i>Theoretically, more training of and better communication with US Attorney staff could help, but the USA's are not eager to learn our system and procedures.</i></p>	
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